

SECOND REGULAR SESSION

HOUSE BILL NO. 1992

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE KIDD.

4058H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 393.1009, RSMo, and to enact in lieu thereof one new section relating to gas utility plant projects.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 393.1009, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 393.1009, to read as follows:

393.1009. As used in sections 393.1009 to 393.1015, the following terms mean:

(1) "Appropriate pretax revenues", the revenues necessary to produce net operating income equal to:

(a) The gas corporation's weighted cost of capital multiplied by the net original cost of eligible infrastructure system replacements, including recognition of accumulated deferred income taxes and accumulated depreciation associated with eligible infrastructure system replacements which are included in a currently effective ISRS; and

(b) Recover state, federal, and local income or excise taxes applicable to such income; and

(c) Recover all other ISRS costs;

(2) "Commission", the Missouri public service commission;

(3) "Eligible infrastructure system replacements", gas utility plant projects that:

(a) Do not increase revenues by directly connecting the infrastructure replacement to new customers;

(b) Are in service and used and useful;

(c) Were not included in the gas corporation's rate base in its most recent general rate case; and

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 18 (d) Replace or extend the useful life of an existing infrastructure;
- 19 (4) "Gas corporation", every corporation, company, association, joint stock company or
20 association, partnership and person, their lessees, trustees or receivers appointed by any court
21 whatsoever, owning, operating, controlling, or managing any gas plant operating for public use
22 under privilege, license, or franchise now or hereafter granted by the state or any political
23 subdivision, county, or municipality thereof as defined in section 386.020;
- 24 (5) "Gas utility plant projects" ~~may~~ **shall** consist only of the following:
- 25 (a) Mains, valves, service lines, regulator stations, vaults, and other pipeline system
26 components installed to comply with state or federal safety requirements as replacements for
27 existing facilities ~~[that have worn out or are in deteriorated condition]~~ **or that can no longer be**
28 **installed under currently applicable safety standards or any cast iron or steel facilities**
29 **including any connected or associated facilities that, regardless of their material, age, or**
30 **condition, are replaced as part of a qualifying replacement project in a manner that adds**
31 **no incremental cost to a project compared to tying into or reusing existing facilities;**
- 32 (b) Main relining projects, service line insertion projects, joint encapsulation projects,
33 and other similar projects extending the useful life or enhancing the integrity of pipeline system
34 components undertaken to comply with state or federal safety requirements; and
- 35 (c) Facilities relocations required due to construction or improvement of a highway,
36 road, street, public way, or other public work by or on behalf of the United States, this state, a
37 political subdivision of this state, or another entity having the power of eminent domain provided
38 that the costs related to such projects have not been reimbursed to the gas corporation;
- 39 (6) "ISRS", infrastructure system replacement surcharge;
- 40 (7) "ISRS costs", depreciation expense and property taxes that will be due within twelve
41 months of the ISRS filing;
- 42 (8) "ISRS revenues", revenues produced through an ISRS exclusive of revenues from
43 all other rates and charges.

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